

William F. Bailey wbailey@gordonarata.com

P.O. Box 81829 (Zip 70598-1829) 400 East Kaliste Saloom Road, Suite 4200 Lafayette, Louisiana 70508-8517 (337) 237-0132 · Fax (337) 237-3451 www.gordonarata.com

December 26, 2006

Ref: 381-24439

Honorable James H. Welsh Commissioner of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re:

Hearing Application

Planulina 7 Sand, Reservoir A Planulina 9 Sand, Reservoir A

SECOND BAYOU FIELD Cameron Parish, Louisiana

Applicant: Apache Corporation

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Apache Corporation** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Planulina 7 Sand, Reservoir A and the Planulina 9 Sand, Reservoir A, Second Bayou Field, Cameron Parish, Louisiana

Planulina 7 Sand, Reservoir A

- 1. To dissolve the existing drilling and production units created as the Planulina 7 Sand, Reservoir A, SUA and SUB, by Office of Conservation Order No. 463-H, effective October 23, 1990, and to simultaneously create two (2) revised single drilling and production units of approximately 86 acres for the Planulina 7 Sand, Reservoir A, SUA and 84 acres for the Planulina 7 Sand, Reservoir A, SUB, designated as the PLAN 7 RA SUA and PLAN 7 RA SUB, respectively, in the Second Bayou Field, Cameron Parish, Louisiana, all as shown more particularly on the attached plat;
- To establish rules and regulations governing the exploration for and production of gas and condensate from the said sand units;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created, with each tract sharing in unit production on a surface acreage basis of participation;
- 4. To grant an exception to the spacing provisions of Statewide Order No. 29-E and to permit applicant, Apache Corporation to designate and utilize the Apache Corporation-Apache Louisiana Minerals, Inc. 19 No. 1 Well as an alternate unit well for the PLAN 7 RA SUA, such well to be at the location shown on the plat attached hereto and made a part hereof;

201 St. Charles Avenue, 40th Floor · New Orleans, Louisiana 70170-4000 · (504) 582-1111 · Fax (504) 582-1121
One American Place · 301 Main Street, Suite 1600 · Baton Rouge, Louisiana 70801-1916 · (225) 381-9643 · Fax (225) 336-9763
GAMDE-LAF237694 West Loop South, Suite 1050 · Houston, Texas 77027-3533 · (713) 333-5500 · Fax (713) 333-5501

- 5. To make a specific finding that such proposed alternate unit well is necessary to effectively and efficiently drain a portion of the Planulina 7 RA SUA which cannot be efficiently and economically drained by any other well within each unit.
- 6. To grant a single unit allowable for the PLAN 7 RA SUA and to permit the operator of the unit to produce said unit allowable from the unit well, the proposed alternate unit well, or from both wells in the unit, at its option;
- 7. To confirm Apache Corporation as the operator of the PLAN 7 RA $\,$ SUA.
- 8. To find that, except to the extent contrary in the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 463-H remain in full force and effect, and
- 9. To consider such other matters pertinent to this application as shown by the evidence presented at the hearing held on this matter.

Planulina 9 Sand, Reservoir A

- 1. To dissolve the existing drilling and production unit created as the Planulina 9 Sand, Reservoir A, SUA, by Office of Conservation Order No. 463-J, effective October 23, 1990, and to simultaneously create a revised single drilling and production unit of approximately 99 acres for the Planulina 9 Sand, Reservoir A, SUA, designated as the PLAN 9 RA SUA, in the Second Bayou Field, Cameron Parish, Louisiana, all as shown more particularly on the attached plat;
- To establish rules and regulations governing the exploration for and production of gas and condensate from the said sand unit;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
- 4. To permit applicant, Apache Corporation to designate and utilize the Apache Corporation-Apache Louisiana Minerals, Inc. 19 No. 1 Well as an alternate unit well for the PLAN 9 RA SUA, such well to be at the location shown on the plat attached hereto and made a part hereof;
 - 5. To make a specific finding that such proposed alternate unit well is necessary to effectively and efficiently drain a portion of the PLAN 9 RA SUA which cannot be efficiently and economically drained by any other well within each unit.
 - 6. To grant a single unit allowable for the PLAN 9 RA SUA and to permit the operator of the unit to produce said unit allowable from the unit well, the proposed alternate unit well, or from both wells in the unit, at its option;
 - 7. To confirm Apache Corporation as the operator of the PLAN 9 $\,$ RA $\,$ SUA.

Hon. James H. Welsh December 26, 2006 Page 3

- 8. To find that, except to the extent contrary in the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 463-J remain in full force and effect, and
- 9. To consider such other matters pertinent to this application as shown by the evidence presented at the hearing held on this matter.

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all interested owners, represented parties and interested parties known to the applicant after a reasonable search were notified in writing in the preapplication notice dated December 14, 2006 that a conference to discuss the proposed application was tentatively scheduled for 10:00 a.m. on Friday, January 5, 2007. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the pre-application notice. No requests to confer were received either in writing or by telephone and, in accordance with the Rules of Procedure, the tentatively scheduled conference WILL NOT BE HELD.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this application notice. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Attached hereto and made a part hereof are plats outlining the Planulina 7 Sand, Reservoir A, SUA and SUB and Planulina 9 Sand, Reservoir A, Second Bayou Field, Cameron Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill Dale of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, LA 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$1,510.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

William F. Bailey
William F. Bailey

WFB/ht

Attachments

cc: Mr. Richard D. Hudson, District Manager Office of Conservation

All Interested Owners, Represented Parties and Interested Parties



